Appendix
Chapter IV General Aviation

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4.1 Minimum Standards

4.2 Critical Issues – Fixed Base Operators

4.2.1 FBO Mandatory Services

AUS

4.1 Minimum Standards

4.2 Critical Issues – Fixed Base Operators

4.2.1 FBO Mandatory Services

Excerpt from AUS FBO Agreement:

ARTICLE I

OBJECT AND PURPOSE OF LEASE

1.1 Purpose of Lease. The purpose of this Agreement is to grant Tenant the non-exclusive right and privilege to conduct business normally provided by a Fixed Base Operator, including but not limited to fuel sales, aircraft sales, aircraft charter, aircraft management, aircraft engine and accessory , flight training, and the minimum services set forth below. Tenant may subcontract these services to a subcontractor subject to approval by the Director. For this right, Tenant agrees to provide, and is herein required to provide the following described minimum services; provided, however, the right and privilege to conduct a Fixed Base Operation hereby granted shall exist only so long as the character of the facilities operated or services furnished shall be consistent with the high quality of facilities and services reasonably required by City. The minimum services include:

(a) Maintain and operate a fuel farm on the leased premises. This facility may be jointly operated and maintained in conjunction with other Fixed Base Operators.

(b) Transient Aircraft Services

(i) Uniformed, qualified line personnel on duty seven (7) days per week, a minimum of sixteen (16) hours per day, increasing to twenty-four (24) hour operation as traffic requires.

(ii) Suitable hard surface aircraft parking, tie-down, and hangar storage facilities.

4.2.1 FBO Mandatory Services

AUS

(iii) Adequate ground equipment, i.e., ground power units, fire extinguishers, oxygen carts, portable compressed air, etc.

(iv) Adequate waiting lounge, pilot briefing room, restrooms, telephone facilities, etc.

(v) Proper fuel dispensing equipment to service aircraft.

(vi) 100 low level octane aviation fuel and respective oil that is available and in general use and demand in this area.

(vii) Jet Fuel.

(c) Aircraft, Engine and Accessory

(i) The Tenant must provide, during normal business hours, aircraft and engine by qualified mechanics and inspectors.

(ii) If painting is contemplated, facilities must meet City Building and Fire Codes.

(iii) At all times, Tenant shall operate facilities in accordance with the standards set forth by the FAA as outlined in FAA Regulation Part 145, as amended (or a superseding publication), or as an alternative, Tenant shall employ full time an FAA authorized inspector.

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Excerpt from PDX Sample FBO Lease:

3.1 Permitted Uses

3.1.1 Use of Premises

*_____ may use the Premises for the following purposes: (i) performance of the mandatory "FBO Services" described in Section 4, and existing FBO Services, as described on the attached **Exhibit C**; and (ii) for construction of Improvements related to its FBO operations, but only after such construction has been approved, in writing, by the Port. In conjunction with performance of its FBO Services, _____ may also maintain business offices on the Premises and conduct aircraft maintenance activities, as more particularly described in Section 4.7. All of the foregoing are referred to herein as the "Permitted Uses."*

3.1.2 Use of Ramp

*_____ shall be entitled to utilize the general aviation ramp ("Ramp") located adjacent to the Premises, as depicted on **Exhibit D**, in conjunction with the Permitted Uses. All such use shall be in compliance with the provisions of this Agreement and the Ramp Management*

4.2.1
FBO Mandatory Services

PDX

Agreement between the Port and _____. All fees charged by _____ to users of the Ramp shall be charged in compliance with the Ramp Management Agreement. All fees must be charged in a nondiscriminatory manner, in compliance with all applicable laws and regulations, including, but not limited to, Federal Aviation Administration ("FAA") regulations pertaining to "Rates and Charges." No special Ramp discounts or fee waivers may be offered to Ramp users who also purchase _____'s services, unless those discounts or fee waivers are pre-approved, in writing, by the Port.

3.1.3 Limitations on Ramp Use
Once _____'s Ramp Management Agreement with the Port expires, or is otherwise terminated, the Port may restrict _____'s use of the Ramp to those shaded areas shown on ***Exhibit D****. Additionally, after the Ramp Management Agreement has expired, or is otherwise terminated, _____ will be required to pay a Ramp Rental Fee for use of the Ramp. The Ramp Rental Fee will be based on the current Airport's similar ramp land values, plus operational maintenance costs, which will be determined, in the reasonable discretion of the Port, at the time the Ramp Rental Fee is assessed. In no event, however, will the Ramp Rental Fee ever be less than the Basic Rent for the Land. Once the Ramp Management Agreement has expired or is otherwise terminated, the Port will be responsible for Ramp maintenance. At such time, if _____ is given exclusive use of the Ramp area shown on* ***Exhibit D****, in the sole discretion of the Port, this Agreement may be amended by the Port to add the Ramp to the Premises. _____'s right to use the Ramp area adjacent to* ***Parcel B****, as shown on* ***Exhibit D,*** *will automatically terminate when this Agreement terminates as to* ***Parcel B****. _____'s right to use the Ramp area adjacent to* ***Parcel A****, as shown on* ***Exhibit D****, will automatically terminate when this Agreement terminates as to* ***Parcel A****.*

[Sections 3.2 through 3.13 of PDX Agreement intentionally omitted]

4. MANDATORY FBO SERVICES

Although nothing contained in this Agreement shall be construed to give _____ any exclusive FBO rights at the Airport, _____ is currently the only FBO located on the Airport. Consequently, as a condition of this Agreement, _____ must agree to perform certain mandatory FBO Services for aircraft operators. _____ shall be entitled to charge reasonable fees for all FBO Services performed, in accordance with the Fee Schedule described in Section 5. The following FBO Services must therefore be provided at all times during the term of this Agreement:

4.1 Aircraft Towing

_____ shall provide aircraft towing as required, to utilize the Ramp to capacity. _____ shall also provide emergency aircraft towing services, for aircraft weighing ten thousand (10,000) pounds or less, for Facility-Based Operators and Itinerant Operators (as defined in Section 9.1.1).

4.2 Aircraft Deicing

_____ shall provide aircraft deicing for Facility-Based Operators and Itinerant Operators, and shall perform its deicing operation in accordance with Section 15.5.

4.3 Aircraft Ground Handling

_____ shall provide ground handling services for Facility-Based Operators and Itinerant Operators, which includes: baggage handling; auxiliary ground power; aircraft parking (to the extent space is available); and aircraft lavatory service (disposal must be to the sanitary sewer or taken to a location off Port property. Nothing shall be disposed in the storm system).

4.4 Fueling Services

_____ shall provide fueling services for aircraft utilizing PDX. The following types of aviation fuel will be available for purchase at all times: (1) Jet A aviation fuel; (2) 100LL aviation fuel; and (3) fuel additives. _____ shall have the right to buy, sell and store aircraft fuel, lubricants and propellants, or any product or products incidental to the use of aircraft in any lawful activity.

4.5 Security Clearance

_____ is responsible for the security on and about the Ramp area. Access to and from the airfield by tenants and Ramp users will be through a secured entrance maintained by _____. _____ recognizes its obligations to comply with FAA security regulations. _____ will reimburse the Port, in full, for any fines or penalties levied against the Port for security violations as a result of any actions on the part of _____, its agents, contractors, suppliers, guests, customers, employees or any other third party accessing the airfield through _____'s Premises. _____ shall also be responsible for security breaches of tenants occupying hangars managed by _____. Notwithstanding the foregoing, _____ shall not be responsible for security breaches by any person who has a current Port security badge that allows that person access onto the airfield, but whose badge was not authorized by _____. In such cases, however, _____ agrees to report any such security violations that any of its employees may witness promptly to the Port. _____ shall also not be responsible for

the activities of U.S. Customs agents on the Ramp, or for activities that occur on or about the Ramp area under the control of U.S. Customs or the U.S. Department of Agriculture.

4.6 Basic Public Facilities

_____ shall provide and maintain for public use during normal business hours at least two (2) clean and well maintained, fully equipped restroom facilities. Separate facilities shall be provided for each sex.

4.7 Aircraft Maintenance and Other Services

_____ shall provide aircraft maintenance and repair services in accordance with FAR 145 – Repair Stations, and as more particularly described as follows: oil changing; tire repair; auxiliary ground power/aircraft battery start; engine removal and installation; airframe repair/overhaul; avionics repair/overhaul; aircraft accessory repair/overhaul; and aircraft propeller repair/overhaul. _____ shall also have the right, but not the obligation, to operate aircraft, repair, overhaul, rebuild, service, inspect, license, buy, sell, store, rent, lease, charter, exchange or otherwise deal in aircraft and aircraft engines, motors, instruments, devices, supplies and accessories, or to finance the purchase of any such items. _____ shall also have the right to maintain, service, and repair ground support equipment. Aircraft manufacturing and aircraft painting are prohibited on the Premises, except touch-up painting of areas of less than seven (7) square feet, and in accordance with all fire regulations and all Environmental Laws (as defined in Section 15.1). To maximum extent possible, painting will be performed in a paint booth. Annual total (within and outside of the paint booth combined) paint usage is limited to the lesser of the following quantities: (i) less than one hundred (100) gallons per year, or (ii) an annual paint usage which results in the facility remaining an insignificant source of air emissions. _____ shall notify the Oregon Department of Environmental Quality ("DEQ") of their intent to install a paint booth in the new Aircraft Maintenance Hangar, because it is an air emission source, no less than sixty (60) days prior to commencing construction of the paint booth. The paint booth must meet all regulatory requirements, including air emissions control requirements at the time of installation. It is _____'s responsibility to operate and regularly maintain the paint booth to minimize air emissions throughout the lifetime of the paint booth and to ensure the paint booth remains in compliance with new regulations that may impact the paint booth or associated activities. Furthermore, all sandblast grit must be collected within a sandblast booth, and must be properly disposed of, off Airport, and not allowed to accumulate on the Premises. _____ must obtain any air emissions permits or other permits required for any of its operations hereunder. _____ will cease operation of its

previous paint booth, currently located in Hangar B, when it commences use of the new paint booth described in this Section.

4.2.2 Leased Area and Premises

PDX

4.2.2 Leased Area and Premises

Excerpt from PDX Sample FBO Agreement:

1. AGREEMENT TO LEASE

1.1 Agreement to Lease and Description of Premises *The Port hereby leases to _____, and _____ hereby leases from the Port, the above-described Premises, consisting of approximately _____ square feet of Land, as shown and described on Port Drawing No. _____, attached hereto as* ***Exhibit A****, together with all existing improvements and improvements to be built or placed on the Premises by _____and/or the Port, including, but not limited to, the BAT, the new Aircraft Maintenance Hangar to be constructed, parking lots, utilities and other infrastructure improvements and landscaping (collectively, the "Improvements"). Excluded from the definition of Improvements is _____'s personal property, as defined in Section 18.4, the Fuel Farm, including any storage tanks located thereon, elsewhere or on the Premises, of any nature, brought onto the Premises by _____ during or prior to this Agreement. In order to determine the actual square footage of the Premises, the Port will complete a survey of the Premises upon completion of the Aircraft Maintenance Hangar. Once that survey has been completed, this Agreement will be amended to reflect the actual size and the legal description of the Premises. An updated* ***Exhibit A*** *will then be attached to this Agreement. The Premises is broken down into two parcels as follows:* ***Parcel A*** *consists of the new Aircraft Maintenance Hangar, the Fuel Farm, and the related Improvements located on Land, consisting of approximately 163,249 square feet, identified as* ***Parcel A*** *on the attached* ***Exhibit A****.* ***Parcel B*** *consists of the BAT, the parking lot and the related Improvements located on Land, consisting of approximately 34,858 square feet, (plus an additional 52,912 square feet of parking area)identified as* ***Parcel B*** *on the attached* ***Exhibit A****.*

1.2 Parking Facilities
Current parking facilities to be used by _____ and its customers in conjunction with this Agreement are shown on ***Exhibit A****. The parking facilities are included with* ***Parcel B****, but no Rent is being charged for the parking lot land. The Port, therefore, reserves the*

4.2.2 Leased Area and Premises

PDX

*right to remove all or a portion of the parking area if the Port, in its sole discretion, determines that the parking area is needed for Airport expansion. If the Port does remove the parking area shown on **Exhibit A**, _____will be provided with another parcel of land large enough to accommodate up to one hundred fifty (150) parking spaces. _____will then be required to pay for all costs of preparing the Land for a parking lot, including, but not limited to, grading and paving.*

4.2.3 Terms of Relocation

AUS

4.2.3 Terms of Relocation

Excerpt from AUS FBO Agreement:

2.4 Right of Relocation. The City shall have the right to relocate Tenant's Premises when necessary to accommodate the overall growth of the Airport. The need for such relocation shall be solely determined by the Director. If a relocation becomes necessary, Tenant shall be assigned a replacement area which is equivalent in size and amenities. Should Tenant disagree with the replacement location, Tenant shall have the right, within ten (10) calendar days of receipt of the Director's written notice of impending relocation, to provide written notice to the Director that Tenant disagrees with the replacement location. Upon such notice by Tenant, the parties shall, for a period not to exceed thirty (30) days from the date of such notice, negotiate in good faith in an attempt to resolve the matter to the satisfaction of both parties; however if for any reason the disagreement is not resolved with thirty (30) days, the Director shall have the right to unilaterally decide the matter, and Tenant agrees to and shall abide by the Director's decision. If the City requires the Tenant to relocate its facilities during the term of this Agreement, the costs of the replacement site and improvements shall be borne by the City.

PDX

Excerpt from PDX Sample FBO Agreement:

14. EARLY TERMINATION FOR AIRPORT PURPOSES

14.1 Terms of Relocation, Reduction, or Limitation of Rights
The Port's rights to terminate this Agreement early under this Section is limited to a need to acquire the Premises for Airport expansion purposes, and shall be subject to and in accordance with the following terms and conditions:

14.1.1 Notice

4.2.3 Terms of Relocation

PDX

The Port shall provide at least thirty-six (36) months advance written notice to _____ prior to requiring _____ to terminate this Agreement.

14.1.2 Compensation

If the Port exercises its rights to terminate this Agreement under this Section,_____ cannot contest the Port's right to terminate, but may contest compensation offered for such termination in accordance with Section 22, unless such termination occurs during the last five (5) years of the Agreement, in which case the Port will only be required to pay _____ the "Net Book Value" of all Improvements installed or constructed and paid for by _____ during this Agreement and during the prior FBO Agreement between _____ and the Port, with the Port's consent. "Net Book Value," as used in this Section, shall mean the actual, reasonable and documented out-of-pocket cost to _____, less accumulated amortization, calculated on a straight-line basis over the Initial Term of the Agreement; except that the life of an Improvement for tax purposes shall be used for amortization purposes if that life is shorter than the remaining term of this Agreement. The remedy under this Section 14.1.2 shall be _____'s sole remedy for any damage or loss caused to _____, and any person claiming by or through _____, for such termination of this Agreement, if due to the need to expand the Airport as provided herein. If Section 6.3 applies to the termination, then this Section shall not apply as to ***Parcel B****.*

14.2 Eminent Domain Rights

Nothing stated in this Section 14 shall be construed to limit or restrict the Port's governmental rights of eminent domain for any other purpose. In the event termination is due to any purpose not covered in this Section or in Section 6.3, Section 22 shall apply.

4.2.4
FBO
Construction

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4.2.4 FBO Construction

Excerpt from PDX Sample FBE Agreement:

12. _____'S CONSTRUCTION OBLIGATIONS

12.1 Construction of New Improvements To Be Constructed By
_____will construct one (1) new Aircraft Maintenance Hangar, of approximately _____ (_____) square feet. _____ will also ensure that any Ramp area constructed or reconstructed to accommodate the new Aircraft Maintenance Hangar will match existing Ramp surfaces in the area surrounding the new Aircraft Maintenance Hangar, will blend seamlessly with the existing Ramp pavement, and will conform to the Port's Ramp pavement standards. Prior to beginning any construction, _____ shall submit design and construction drawings ("Preliminary Plans") to the Port for review and approval. Once submitted, the Port shall have thirty (30) days to review and comment on the Preliminary Plans. Based on Port comments, _____ will revise the Preliminary Plans, as required by the Port. "Final Plans," containing the Port required revisions, along with final construction drawings, will be submitted to the Port for final Port review. Once Final Plans are
reviewed and approved by the Port, _____ must obtain a Port Construction Permit, all required City/County building, fire and storm water permits, and the approved FAA Form 7460-1 before commencement of construction. Final Plans may not be altered or deviated from without written approval from the Port and any other required authority. The Port Construction Permit may be obtained from the Port's Airport office by contacting William Lish at 503-460-4175.

12.1.1 Security Fence
_____ shall install a security fence around Parcel A, the type, configuration and location of which must be approved, in writing, by the Port.

12.2 Construction of Ramp
In addition to Improvements to be constructed by __ _____ on the Premises, _____ will also construct a section of additional Ramp, adjacent to ***Parcel A****, as more particularly shown on* ***Exhibit A.*** *Such Ramp area will be constructed to meet Port specifications for such Ramp area. _____ will be required to maintain this Ramp area.*

12.3 New Aircraft Wash Station

*_____ will construct a new Aircraft Wash Station, in the area designated on **Exhibit A**. Contract criteria shall include the following environmental safeguards: (i) ensure the wash water is properly diverted into the sanitary system; (ii) no discharge into the storm system will be permitted; (iii) a City of Portland permit and approval must be obtained; and (iv) a written set of procedures for washing activities must be submitted to and approved by the Port before any washing can take place.*

12.4 General _____ Construction Obligations

The following general construction obligations apply to all construction work ("Work") occurring on the Premises throughout the term of this Agreement, including, but not limited to, Work on the new Aircraft Maintenance Hangar and related Improvements.

12.4.1 Construction Schedule

*Once approved and commenced, the Work shall be performed diligently to completion in a timely and good and workmanlike manner, only in accordance with the approved plans and specifications, construction schedule and with any conditions imposed upon such approval. For the new Aircraft Maintenance Hangar and related Improvements, a construction schedule is attached as **Exhibit G**. Subject to Section 22.8, _____ must fully and faithfully complete the work within the time frame agreed to under the agreed upon construction schedule, and in accordance with the Port approved Final Plans.*

12.4.2 Construction Related Costs and Activities

_____ shall be responsible for construction and maintenance of pedestrian sidewalks or walkways located on the Premises and for installation of attractive, irrigated landscaping, utilities and other necessary Improvements required to be constructed in conjunction with any Work, pursuant to any requirements of any construction plans approved by
the Port and the terms of this Section 12. All site preparation, including compaction or surcharge of any construction site, shall be the responsibility of _____.

12.4.3 Utilities

_____ shall promptly pay any charges for sanitary sewer, storm sewer, water, gas, electricity, telephone and all other charges for utilities which may be furnished to the Premises. _____ will be responsible to pay all costs and do all work required to connect to those utilities, if not already connected as of the Commencement Date. _____ shall be responsible for the cost of maintenance and repair of all existing and newly-installed utility lines serving the Premises from

the lease line, into and continued within the Premises. The Port agrees to give _____ reasonable access to adjacent Port property, if needed for utility work, subject to the requirement that _____ keep the property in good condition and repair. Such access will be given pursuant to the Port's standard Permit and Right-of-Entry.

12.4.4 Compliance with Development Standards

_____ agrees that all Work on the Premises shall be done in accordance with the requirements of the Development Standards, except where the Port has agreed, in writing, to a waiver or modification of the Development Standards.

12.4.5 Construction Bonds

_____ shall not commence the performance of any Work upon the Premises, including, but not limited to, construction of the new Aircraft Maintenance Hangar, nor permit any contractor working on _____'s behalf to commence work upon the Premises, until _____ has provided to the Port a payment bond and a performance bond, acceptable to the Port, providing coverage to the Port for: (i) full performance of the construction; and (ii) payment of all labor and materials expended thereon. Each bond provided under this Section shall be issued by a surety approved by the Port, in an amount not less than the total costs of the construction Work being undertaken, and shall contain terms and be in a form reasonably acceptable to the Port. Notwithstanding the foregoing, once the Aircraft Maintenance Hangar has been completed, subsequent construction Work budgeted to cost less than THIRTY THOUSAND DOLLARS ($30,000) will not require payment and performance bonds, provided, however, Work shall not be segregated into separate projects in order to avoid the bonding requirements set forth herein.

12.4.6 Signs

_____ shall not erect, install nor permit upon the Premises any exterior sign or other exterior advertising device without first having obtained the Port's written consent, which consent shall not be unreasonably withheld or delayed. All signs erected on the exterior of the Premises must comply with the Development Standards. _____ shall remove all signs and sign hardware upon expiration or earlier termination of this Agreement and restore the sign location to its former state, unless the Port elects to retain all or any portion of the signage. All signage located on the Premises as of the Effective Date of this Agreement is hereby approved.

12.4.7 Construction Soils

If _____'s construction on the Premises will result in the removal of excess soil from the Premises, then such soil shall remain the property of

the Port and the Port shall direct _____ to temporarily stockpile the soil on the Premises, or on an area immediately adjacent to the Premises, if an adjacent area is available. The Port shall then have the right to come onto the Premises to remove the material without further authorization from _____. The Port agrees to coordinate the time for removal with _____ so that the presence of the material and the removal of the material do not unreasonably interfere with _____'s use or development of the Premises. _____ shall not bring any soil, rock, or other organic materials onto the Premises without the prior written consent of the Port, provided, however, that rock purchased from a reputable dealer in the business of selling rock, and represented by such dealer to be clean material, may be brought onto and used on the Premises without the need for specific Port consent. Before Port approval will be given for materials that require Port approval, the Port will require that the soil be tested to ensure that it contains no Hazardous Substances, as that term is defined in Section 15.1. If any soil removed from the Premises by _____ during construction is discovered to be contaminated with any Hazardous Substances, _____ must promptly notify the Port and must
remediate the soil, if the contamination was caused by _____ or its agents or contractors, before it can be reused or disposed of.

12.4.8 Inspection of Construction
The Port and its agents, employees and representatives shall, at all reasonable times, with advance notice, have the right to come upon the Premises for purposes of inspecting the construction of the Work. When exercising its rights under this Section 12.4.8, the Port agrees to interfere as little as is reasonably possible with _____'s use and occupancy of the Premises and the Work in progress. The Port shall be entitled to enter onto the Premises at any time, and without notice, in the case of an emergency. The Port shall be responsible for the acts of its employees, agents and contractors who enter the Premises pursuant to this Section 12.4.8.

12.4.9 Submission of Drawings
Within sixty (60) days after the completion of the Aircraft Maintenance Hangar, or any other Work under this Section 12, where applicable, _____ shall deliver to the Port complete and fully detailed "As-Built" drawings of the completed Improvements prepared by an architect or engineer licensed by the State of Oregon. Failure to provide "As Builts" within this period of time will result in an assessment of a FIVE HUNDRED DOLLAR ($500) late charge. Failure to provide the "As-Builts" within ninety (90) days of their due date will constitute an Event of Default, as more particularly described in Section 19.1.2.

4.2.4 FBO Construction

PDX

12.4.10 Port Approval of Subsequent Construction

Except as otherwise provided in this Agreement, _____ shall make no Substantial Improvements or alterations to the Premises of any kind without first obtaining the Port's written consent and a "Port Construction Permit." Port Construction Permits are available from the Port's Construction Coordinator at the Port's main Airport office. As used herein, "Substantial Improvements" shall mean any Improvements or alterations made to the Aircraft Maintenance Hangar interior costing more than TEN THOUSAND DOLLARS ($10,000), in the aggregate, or any Improvements, regardless of cost, made to, or visible from, the outside of the Aircraft Maintenance Hangar or the Premises. In cases where the Work is not required to be reported to the Port and a Port Construction Permit is not required, _____ must complete the Work in a high quality manner, consistent with the quality of the rest of the Aircraft Maintenance Hangar, and must obtain all required building permits before starting any such Work. _____ must also comply with all laws and environmental Best Management Practices (see Section 15.2) in the execution of the Work. In connection with the approval process for Work that the Port must approve, the Port may impose requirements on _____ and on the contractors and agents performing Work on behalf of _____, including, but not limited to, the requirement to submit Final Plans and specifications, in such detail and quantity as is determined necessary by the Port. In requesting the Port's consent to proceed with the Work, _____ must submit the following to the Port for approval at least sixty (60) days in advance of any proposed Work: (i) name of the proposed contractor; (ii) proposed Final Plans and specifications; and (iii) architectural and/or engineering renderings. _____ must also submit, for Port approval, _____'s environmental controls for any planned Work aimed at preventing Hazardous Substance Releases (defined in Section 15.1.4). The Port shall have thirty (30) days from the date of the submission of all required information concerning the Work to approve, disapprove or approve, subject to conditions, the proposed Work. If the submissions are disapproved by the Port, _____ must revise and resubmit all required materials in accordance with this Section before any Work may commence. Port approval must be obtained prior to application for any building or similar permits from any other government authority.

12.4.11 Timely Completion of Work

Once approved and commenced, the Work shall be performed diligently to completion in a timely, good, and workmanlike manner, only in accordance with Port approved plans and specifications, and with any conditions imposed upon such approval by the Port or the FAA. Once _____'s construction plans have been reviewed and approved by the Port, _____ must obtain a Port Construction Permit, all required City/County building, fire, and storm water permits,

and an approved FAA Form 7460-1 (if required), before commencement of any Work.

12.5 Ownership of Improvements
Subject to the Port's reversionary rights described in Section 18.3, _____shall be the owner of all the Improvements constructed by and paid for by _____ located on the Land during the Initial Term of the Agreement ("_____Improvements"). Any Improvements paid for by the Port shall be and always remain owned by the Port ("Port Improvements"). Any Improvements made and paid for by _____ located outside of the Premises on the Airport, including, but not limited to, the Ramp area described in Section 12.2, will be considered Port Improvements. _____ shall claim no depreciation on any Port Improvements. Any Improvements made by _____during the Option Term shall be considered _____ Improvements for depreciation purposes only, to the extent that tax law then allows such depreciation.

12.6 Waste, Removal and Demolition
_____ shall not cause or permit any waste or damage, disfigurement or injury to the Premises or the Improvements and shall not remove or demolish, in whole or in part, any Improvements on the Premises without the prior written approval of the Port, which the Port may condition upon the obligation of _____ to replace the same by a comparable Improvement or other Improvement specified in such approval.

12.7 Cost of Construction of Improvements
Except as otherwise specifically provided in this Agreement, _____ shall be solely responsible for paying for all of the above-referenced construction and for ensuring that all construction is completed in accordance with the Final Plans.

12.8 Maintenance
_____ shall, at _____'s sole cost and expense, continually keep and maintain the Premises and all Improvements, including, but not limited to, landscaping, systems and equipment located thereon (whether constructed by _____ or the Port). This responsibility shall also include, without limitation, maintaining the interior and exterior of the Aircraft Maintenance Hangar in an attractive, clean and safe condition, and in good repair and operating condition. _____ shall make all necessary and appropriate preventive maintenance, repairs and replacements. _____ shall develop and adhere to a maintenance plan and maintenance schedule for all machinery, heating and fire prevention systems located on the Premises. Without limiting the foregoing, _____ shall perform the items designated as the

responsibility of the tenant on the Maintenance Matrix, attached hereto as ***Exhibit H*** *(the "Maintenance Matrix"). _____ shall also maintain all asphalt located on the Premises. Without limiting the effect of any other provision of this Agreement, it is a material term of this Agreement that any Improvements, which are to become the property of the Port upon the termination or earlier expiration of this Agreement, shall be in good condition and repair at such time, reasonable wear and tear excepted.*

4.2.4 FBO Construction

PDX

12.9 No Liens

_____ agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery or equipment which have been provided to the Premises. _____ shall not suffer or permit any liens to attach to the interest of _____ in all or any part of the Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, _____ or anyone occupying or holding an interest of _____ in all or any part of the Improvements on the Premises through or under _____. If any lien is filed against the Premises, _____ shall cause the lien to be discharged of record within thirty (30) days after the date of filing of the same, by either payment, deposit or bond. In the event that _____ fails to remove the lien within thirty (30) days, then, in addition to all other remedies set forth in Section 19, the Port shall automatically have the right, but not the obligation, to pay the lien off, after giving notice of its intent to do so to _____ and _____ shall immediately reimburse the Port for any sums so paid to remove any such lien, together with the Delinquency Charge due thereon, calculated from the date Port funds were expended thereon.

12.10 Fire Safety

_____ shall exercise due and reasonable care and caution to prevent and control fire on the Premises and to that end shall provide and maintain such fire suppression and other fire protection equipment as may be required pursuant to applicable governmental laws, ordinances, statutes and codes for the purpose of protecting the Premises and restricting the spread of any fire from the Premises.

4.2.5 Sponsor Investment

4.2.5 Sponsor Investment

4.2.6 Provisions for Existing Tenants

4.2.6 Provisions for Existing Tenants

4.2.7 Construction Compliance

4.2.8 Maintenance Responsibilities

Excerpt from AUS FBO Agreement:

6.2 Maintenance Responsibilities. Tenant shall, at its sole cost and expense, maintain, repair and keep in good condition all of its Facilities, as hereinafter described:

(a) Tenant shall maintain pavement, landscaping, greenbelts, obstruction lighting and all equipment.

(b) Tenant shall maintain the interior and exterior of the building, to include electrical, mechanical, plumbing, fire protection system(s), roof, floors, load-bearing and exterior walls, utilities, and HVAC system(s).

(c) Tenant shall clean trash from driveway, taxiways, aprons, greenbelts and sidewalks to include maintaining clear, unobstructed access to the buildings at all times for emergency vehicles.

(d) Tenant shall maintain all hangar and overhead doors and door operating systems, including weather stripping and glass replacement.

(e) Tenant shall maintain electric loads within the designed capacity of the system. Any change to such designed capacity will require the prior written consent of the Director.

(f) Tenant shall install and maintain hand-held fire extinguishers in the interior of all buildings, aircraft shops, aircraft parking and tie-down areas, and fuel storage areas, pursuant to safety codes.

(g) Tenant will not dispose of any debris or waste materials on Airport property. All hazardous materials must stored and used in accordance with Article XII, with contents identified and clearly labeled as belonging to Tenant and properly disposed of pursuant to prescribed Federal, State and City directives.

4.2.8 Maintenance Responsibilities

AUS

(h) Tenant shall have the necessary utility meters installed, as required by the utility company(s), at Tenant's expense. Tenant shall pay for all utility usage. Tenant shall maintain and repair all utility service lines and fixtures, including lighting fixtures, within Premises except to the extent that such maintenance or repair is the obligation of the utility company providing such utility service.

(i) Tenant shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the Airport of all trash, garbage and other refuse which results from Tenant's business operations, including receptacles for the deposit of such trash, garbage and other refuse.

(j) Tenant shall accomplish all repairs and maintenance for which it is responsible routinely and, in all events, within ten (10) days following receipt of notice from City. If following notice from City, Tenant fails to make any necessary repairs or perform any necessary maintenance for which Tenant is responsible, City may have such repairs or maintenance performed and City's costs of doing so shall be payable as Additional Rent and due upon the next installment of ground rent.

(k) Tenant will not permit any action on the leased Premises that has an adverse effect, or interferes with the proper function of any drainage system, sanitary sewer system, or any facility provided for the operation or protection of Airport.

(l) The Tenant shall install fire alarm devices within the Facilities and such devices shall be connected to the Airport Police and/or Fire Operation Center.

(m) Tenant shall be solely responsible for the supervision, conduct, safety, and security of Tenant, its subcontractors, agents or any other persons.

4.2.9 Technology Requirements

AUS

4.2.9 Technology Requirements

Excerpt from AUS FBO Agreement:

6.3 Telecommunications. Tenant shall, at its sole expense, procure and install all cable, conduits and power needed to connect its leasehold to the City's Premise Distribution System

4.2.9 Technology Requirements

AUS

(PDS) except in those cases where the City has already provided connectivity. PDS Cable use charges will be based on utilization. Tenants and subtenants electing to use the Shared Tenant Service (STS) may purchase or lease telephone instruments from the City. Tenants and subtenants who elect to install their own telephone system will provide their own switches, instruments and other equipment necessary to interface via the City's PDS to the Airport telecommunications demarcation point located in the Airport Communications Center. Standard PDS usage rates will apply. Tenants must also adhere to the following:

(a)Voice, Data and Video Cabling: The City will provide a PDS consisting of copper and fiber optic cable throughout the Airport campus. All external telecommunications providers will terminate at the demarcation point located in the City's Communications Center. Tenants will use the City's fiber optic and copper PDS to connect to the demarcation point.

Tenant will pay reasonable fees comparable to those levied for similar installations at ABIA for its PDS connection(s). ***Tenant shall, at its sole expense, procure and install all cable needed to connect its leasehold to the PDS according to City supplied specifications. NOTE: The City will maintain the PDS and the TENANT-installed line that extends from the utility corridor to the TENANTS telecommunications room. The Tenant will provide 24-hour access to their telecommunications room.***

(b)Telephone Service: Tenants and subtenants electing to use the STS may purchase or lease telephone instruments from the City The Tenants and subtenants who elect to install their own telephone system will provide their own switches, instruments and other equipment necessary to interface via the City's PDS to the Airport telecommunications demarcation point located in the Airport Communications Center. Tenant furnished telephone switches and equipment will be located on Tenant's premises. Tenants providing their own PBX equipment may choose either trunks provisioned by the Shared Tenant Service or any local provider.

(c)Tenant shall pay for all telephone service charges, including installation, maintenance, moves, adds, changes, long distance, and local provider service. Tenant shall not enter into any telephone agreement which might impede the City's plans to declare a Minimum Point of Entry (MPOE), designate the demarcation point, or the implementation of STS.

4.2.9 Technology Requirements

AUS

(d)Data Communications Service: The PDS will carry data transmission services throughout the airport site. Tenant must provide all equipment necessary to connect to the PDS. All data transmission and switching equipment used must comply with CITY specifications. Tenant will pay reasonable fees for the use of the PDS for data transmission. STS will include data transmission lines (Frame Relay, ISDN, and T1) or Tenant may choose to use the PDS to connect to an alternate provider at the demarcation point.

(e)Television Service: Tenants and subtenants shall pay for all charges, including installation, maintenance, moves, adds, changes, PDS and cable channel charges.

4.2.10 Security Requirements

AUS

4.2.10 Security Requirements

Excerpt from AUS FBO Agreement:

6.5 Security. Tenant, its employees and subcontractors shall comply fully with the New Airport Project Site Security Plan provided by Airport Police. Special attention should be directed to badging requirements.

The Facilities are located in a restricted area accessible only to those persons displaying a security badge issued by Airport Police. Each person working at Facilities must wear the badge at all times while at ABIA. The cost of each badge will be paid for by Tenant.

All Tenant personnel, subcontractors, agents, and vendors must comply with City security procedures and directives. To control access to the air operations area ("AOA"), Tenant will provide, within five (5) days after the execution of a subcontract agreement, written notice to the Director of the names, addresses, telephone number(s), and contact persons for each subcontractor employed by Tenant that will require access to the AOA for the benefit of Tenant.

Tenant shall control the Premises so as to prevent unauthorized access to the AOA. Not later than the date air carrier operations relocate to the Airport, Tenant shall comply with FAR Part 107 (Aviation Security), Tenant's security system must comply with Airport Security Consultant's specifications. The CITY reserves the right to install security devices in or on the Facilities as it deems necessary at City's cost. The City will maintain security equipment located on the Tenant's premises which is associated

4.2.10 Security Requirements

AUS

with FAR 107 or which the City may elect to install at some future date.

The Tenant shall provide power wiring and security data conduits as specified by the Airport Security Consultant to operate security devices (gates, access controls & cameras) which are a part of the AOA. A total of three (3) two-inch conduits are required; one for power, one for data and one spare. The Tenant shall supply 120/208 three phase power from an electrical panel, with circuit breaker protection. The Tenant shall allow the City to connect AOA security data cables to the Airport cable system (PDS) within the building's telecommunications closet. Energy to operate AOA security equipment on the Tenant's premises shall be furnished by the Tenant without cost to the City.

4.2.11 Monitoring FBO Activities

PDX

4.2.11 Monitoring FBO Activities

Excerpt from PDX Sample FBO Agreement:

3.10 Annual Business Review Meeting With Port
_____ and the Port shall meet at least once a year during each calendar year of this Agreement to discuss the business plan of _____ ("Annual Business Plan Meeting"). At such Annual Business Plan Meeting, _____ shall present its corporate statement of objectives for the next year of FBO operations on the Premises, which plan shall be subject to the reasonable approval of the Port, and which shall contain the following information, at a minimum:

3.10.1 *A listing of all FBO Services provided, and all fees charged for those services;*

3.10.2 *A listing of all fuel prices, showing highest and lowest prices, of both jet A and 100LL, by month, throughout the preceding year.*

3.10.3 *A listing of all Ramp equipment and capacity descriptions for all equipment available to perform the required FBO Services under this Agreement.*

4.2.12 Appraisals and Fair Market Value

PDX

4.2.12 Appraisals and Fair Market Value

Excerpt from PDX Sample FBO Agreement:

7.5.4 Objection by _____ to Fair Market Rental Rate
Unless a written notice objecting to the Fair Market Rental Rate for the Land or the Fair Market Rental Rate for the ***Parcel B*** *Improvements is received by the Port within thirty (30) days after written notice of the new Basic Rent amount is delivered to _____, the Fair Market Rental Rate for the Land and/or the Fair Market Rental Rate for the* ***Parcel B*** *Improvements proposed by the Port shall become the new Basic Rent. If _____ objects to the Fair Market Rental Rate determined by the Port and the parties cannot come to an agreement on Fair Market Rental Rate within twenty (20) days after _____'s written notice objecting to a proposed Basic Rent, the parties will agree upon and retain a licensed Member of Appraiser Institute ("MAI") appraiser to determine the current Fair Market Value of the Land and/or the Fair Market Value of the* ***Parcel B*** *Improvements. The appraiser selected shall have a minimum of five (5) years commercial and industrial property appraisal experience, including experience in appraising other airport properties. If the parties cannot agree on an appraiser within fifteen (15) days after notice by either party to the other requesting selection of an appraiser, then the Port shall select three (3) MAI appraisers, with at least two (2) of them having some prior airport appraisal experience, if possible, and _____ shall be entitled to select the appraiser to be used from this pool. Such selection shall be made within seven (7) days of the date _____ receives the list of appraisers' names. The appraiser's finding of value shall be conclusively binding on the parties. If the final Fair Market Value determination of the appraiser is three percent (3%) or less lower than the Fair Market Value set by the Port, or higher than the Fair Market Value set by the Port, then _____ shall pay all of the appraisal fees. If the appraiser's final determination of Fair Market Value is in excess of three percent (3%) below the Fair Market Value assigned by the Port, then the Port will pay the appraiser's fee.*

4.2.13 Procedure for Collecting Landing Fees

PDX

4.2.13 Procedure for Collecting Landing Fees

Excerpt from PDX Sample FBO Agreement:

9. COLLECTION AND PAYMENT OF LANDING FEES

9.1 Duty to Collect

_____ shall comply with all requirements of Port Ordinance 389-R (as amended, and as may be further amended from time to time), which requires certain operators of aircraft to pay a landing fee ("Landing Fee") on each landing at the Airport.

9.1.1 Commercial Aircraft Operators and Itinerant Operators

As an additional FBO Service to be provided by _____ at the Airport, _____ shall collect Landing Fees from all operators of aircraft covered by Port Ordinance 389-R (as amended, and as may be amended from time to time) who: (i) regularly operate out of _____'s Premises ("Facility-Based Operators"); or (ii) are not based at _____'s Premises, but purchase fuel, receive maintenance, enplane and/or deplane passengers or cargo or otherwise patronize _____'s FBO business after landing at the Airport ("Itinerant Operators"). In addition, _____ shall accept Landing Fee payments from other Airport users who do not fall within the above categories (i) or (ii), but wish to pay Landing Fees to _____ rather than remitting Landing Fees directly to the Port (collectively, "Off-Facility Operators"). Landing Fees assessed against aircraft that are owned, operated or controlled by _____, or any person or entity that directly or indirectly controls, is controlled by, or is under common control with _____ (collectively,"_____'s Landing Fees"), shall be paid monthly to the Port and reported on the FBO Landing Report Form. The current FBO Landing Report Form is attached as ***Exhibit F-1.***

9.1.2 Drop Box Collections

In the event that the Port establishes "drop boxes" or similar receptacles ("Drop Boxes") for receipt of Landing Fees from those operations where landings and takeoffs occur when _____ is not present, _____ shall collect all amounts deposited in the Drop Boxes no less than daily.

9.2 Collection Procedures

4.2.13 Procedure for Collecting Landing Fees

PDX

9.2.1 Facility-Based Operators

In order to calculate the amount of Landing Fees payable by Facility-Based Operators, at the beginning of each month during the term of this Agreement, _____shall distribute to each Facility-Based Operator a form provided by the Port on which form the Facility-Based Operator will include all information necessary to calculate the total Landing Fees payable by the Facility-Based Operator for that month (the "Landing Report Form"). No later than twenty (20) days after the end of that month, _____ shall collect from each Facility-Based Operator the completed Landing Report Form along with the total Landing Fees imposed pursuant to Port Ordinance 389-R (as amended, and as may be amended from time to time) on the Facility-Based Operator for that month as calculated on the Landing Report Form. The current Landing Report Form is attached hereto as ***Exhibit F-2****. The Port may change the Landing Report Form by notice to _____ accompanied by the new Landing Report Form.*

9.2.2 Itinerant Operators

_____ shall collect from each Itinerant Operator the Landing Fee imposed pursuant to Port Ordinance 389-R (as amended, and as may be amended from time to time) before the Itinerant Operator's aircraft departs from the Premises.

9.2.3 Delinquent Accounts

_____ shall promptly notify the Port if any Itinerant Operator or Facility-Based Operator does not pay, after _____'s best collection efforts, Landing Fees owed on or before the applicable times specified in Sections 9.2.1 and 9.2.2. Such notice shall obtain the following information to the extent known or reasonably available to _____: (i) name, address and telephone number of the aircraft operator and aircraft owner; (ii) description of the aircraft, including tail number; (iii) dates and times of landings for which Landing Fees are past due; and (iv) amount of unpaid Landing Fees. The Port will be responsible for assessing and collecting the delinquent account, including any Delinquency Charge and penalties for late payment as authorized by Port Ordinance 389-R (as amended, and as may be amended from time to time).

9.2.4 Off-Facility Operators

_____ shall accept Landing Fee payments from Off-Facility Operators who wish to pay Landing Fees to _____ along with a Landing Report Form signed by the Off-Facility Operator that includes all information necessary to calculate the Landing Fees reported by the Off-Facility Operator.

4.2.13 Procedure for Collecting Landing Fees

PDX

9.2.5 Copy of Port Ordinance 389-R
_____ shall keep a copy of Port Ordinance 389-R on the Premises, available for inspection by any party who has questions regarding the Landing Fees.

10. COMPENSATION TO _____ FOR COLLECTION OF LANDING FEES
As the total compensation for the collection of Landing Fees, _____ shall be entitled to an administrative fee ("Service Fee") equal to twenty five percent (25%) of all Landing Fees actually collected by _____ pursuant to this Section 10. Provided, however, _____ shall not be entitled to any Service Fee with respect to Landing Fees which are not collected by _____, or for _____'s own aircraft Landing Fees. The Service Fee shall be payable as provided in Section 11. _____ shall be entitled to no compensation for the performance of its obligations under this Agreement other than the compensation expressly provided in this Section 10.

4.2.14 Environmental Issues

PDX

4.2.14 Environmental Issues

Excerpt from PDX Sample FBO Agreement:

15. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

15.1 Definitions
For the purposes of this Agreement, the following definitions shall apply:

15.1.1 Hazardous Substance
"Hazardous Substance" includes any and all substances defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in or under any applicable laws and regulations. Hazardous Substance shall also include, but not be limited to, fuels, petroleum and petroleum-derived products.

15.1.2 Environmental Cost
"Environmental Cost" includes, but is not limited to, costs and damages arising from or relating to: (i) any actual or claimed violation of or noncompliance with any applicable laws and regulations; (ii) claims for damages, response costs, Special Audit costs (as described in Section 15.10.2), fines, fees or other relief relating to matters addressed in any applicable laws and regulations; (iii) injunctive relief relating to matters addressed in any applicable laws and regulations; (iv) Hazardous Substance Releases; and (v) violations of any environmental provisions of

this Agreement. Costs and damages as used in this Section shall include but not be limited to: (a) costs of evaluation, testing, analysis, cleanup, remediation, removal, disposal, monitoring and maintenance; (b) fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before or after trial, appeal or administrative proceedings; (c) lost revenue; and (d) diminution of value, loss, or restriction on use of property.

15.1.3 Environmental Laws
"Environmental Laws" means any and all federal, State of Oregon and local laws, regulations, rules, permit terms, codes and ordinances now or hereafter in effect, as the same may be amended from time to time, and applicable decisional law, which govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise, or products and/or relate to the protection of health, natural resources, safety or the environment.

15.1.4 Hazardous Substance Release
"Hazardous Substance Release" shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then-current and valid permit issued under applicable laws and regulations.

15.2 General Environmental Obligations of _____ _____ *shall manage and conduct all of its activities on or relating to the Premises and the Ramp: (i) in compliance with applicable Environmental Laws and regulations and the environmental provisions of this Agreement; (ii) in cooperation with the Port in the Port's efforts to comply with Environmental Laws and regulations; and (iii) in adherence with Best Management Practices applicable to _____'s use of the Premises and the Ramp, as outlined in the "Portland International Airport Best Management Practices" manual ("Best Management Practices"). _____ must comply with the PDX Storm Water Pollution Control Plan when conducting any activities on or relating to the Premises and Ramp. _____ shall manage and, as appropriate, secure the Premises and its occupation or use of the Premises and Ramp so as to prevent any Hazardous Substance Release, or violations of Environmental Laws or regulations by any party, on or relating to the Premises.*

15.3 Use of Hazardous Substances
_____ shall be permitted to use, handle and store Hazardous Substances, as reasonably necessary to conduct _____'s business and in compliance with applicable Environmental Laws.

15.4 Storm Water Conveyance and Treatment

_____ is authorized to discharge storm water into the Port-owned storm water discharge conveyance or storage system, as long as _____ has a signed Storm Water Use Agreement in effect with the Port. _____ must also pay an annual storm water discharge fee. The current amount of the annual storm water discharge fee is TWO HUNDRED FIFTY DOLLARS ($250). This fee is subject to adjustment by the Port, in its reasonable discretion, from time to time. This fee must be paid to the Port within thirty (30) days of receipt of annual billing. In order to comply with storm water discharge requirements, _____ may be required to treat _____'s storm water prior to discharge. The Port shall have the right to approve or disapprove the method, design and installation of any such treatment system in order to ensure compliance with applicable Environmental Laws and protection of Port property.

15.5 Deicing and Other Special Requirements

_____ may deice aircraft only on the Ramp and in the Aircraft Maintenance Hangar. _____ must remain a co-permittee on the PDX Deicing and Anti-icing Waste Discharge National Pollution Discharge Elimination System Permit ("Deicing Permit") at all times during this Agreement, and must comply with the Port's then current Annual Deicing and Anti-icing Runoff Control Program Plan.

15.6 Fueling

_____ shall perform all fueling in a careful and prudent manner, and in accordance with Best Management Practices and the Portland International Airport Storm Water Pollution Control Plan. Fueling operations shall be performed consistent with all applicable laws and regulations including the requirements contained in the Above-Ground Storage Tank Use Agreement ("AST Agreement") and the Mobile Petroleum Storage Tank or Tanker Vehicle Use Agreement for Self-Fueling ("MST Agreement"). In addition, a written Spill Prevention, Control and Countermeasures Plan ("SPCC Plan") must be prepared, presented to the Port and thereafter updated consistent with Section 5.7.1 of the AST Agreement. All fueling must occur on the Ramp.

15.7 Discharge and Treatment of Industrial Waste Water

No industrial waste water discharge shall be made by _____ into any Port-owned conveyance or storage system. The Port shall have the right to review and approve or disapprove any industrial waste water discharge treatment system of any kind to be installed or utilized upon the Premises. _____ must also obtain approval, in writing, from the City of Portland Bureau of Environmental Services to discharge industrial waste water, including vehicle and equipment wash water, into

the sanitary sewer system. A copy of this documentation must be provided to the Port by _____.

15.8 Treated or Contaminated Soil/Waste

_____ shall not store, treat, deposit, place or dispose of treated or contaminated soil, industrial by-products, or waste on the Premises, without the prior written consent of the Port, which consent may be granted or denied in the Port's sole discretion.

15.9 Fuel Farm Requirements

_____ owns and operates the Fuel Farm shown on ***Exhibit A*** *in conjunction with its FBO operations hereunder. The following minimum criteria and safeguards shall apply to operations of that Fuel Farm: _____ shall:*

15.9.1 Operating Procedures

Develop, implement, and document operating procedures for the proper receipt, storage and dispensing of aviation fuel, including the maintenance, safety checks, and safe practices applicable to aviation fuel storage facilities;

15.9.2 Inspections

Develop, implement, and document procedures for a monthly inspection of each AST. The inspection should include, but not be limited to, confirmation that each AST and key components, such as pumps, hoses, and fittings, are in good and safe working condition;

15.9.3 Spill Plans

Include in its SPCC Plan operating procedures for spill contingency and emergency response to aviation fuel releases, including the designation of individuals responsible for directing the response and clean-up of such releases;

15.9.4 Major Spills

Include in its SPCC Plan procedures to address large spills that on-site resources may be inadequate to manage. The procedures may include, but not be limited to, identification of an outside 24-hour emergency response contractor to handle large spill events;

15.9.5 Notification Procedures

Include in its SPCC Plan procedures for the proper notification of the appropriate regulatory agencies and the Port in the event of a suspected or confirmed Hazardous Substance Release;

15.9.6 Documentation to Port

Provide the Port with copies of all documents required by this Agreement and, upon written request of the Port, copies of all other permits, approvals, reports, and correspondence with any regulatory agency pertaining to the AST system;

15.9.7 Spill Response Equipment
Have on the Premises, ready for immediate use, spill response equipment, including sufficient equipment to keep a hazardous waste release from reaching the Port's storm water system; and

15.9.8 Training
Have trained personnel on site to operate the spill response equipment during filling and dispensing operations, and on call at all other times.

15.10 Environmental Audits

15.10.1 Initial Audit
An environmental audit/assessment of the Premises entitled, _____, was completed prior to commencement of this Agreement by the firm of _____, and is dated _____ ("Initial Audit"). _____ approved the scope and procedures of the Initial Audit with the understanding that it shall serve as a baseline for determination of future environmental liability, as described in more detail in Section 15.13.

15.10.2 Special Audit
If the Port, at any time during the Agreement term, or any extension thereof, has reason to suspect that Hazardous Substances are being, or have been, used, handled, stored, generated, disposed, placed and/or transported contrary to the requirements of this Agreement, in violation of applicable laws and regulations, or in any manner that has resulted, or is likely to result, in a Hazardous Substance Release, then the Port may, after written communication of those reasons to _____, without limiting its other rights and remedies, conduct a Special Audit ("Special Audit") of the Premises with respect to the environmental matters of concern to the Port. If a violation is found, _____ will be required to reimburse the Port for the cost of the Special Audit. If no violation is found, the Port will pay for the Special Audit.

15.10.3 Exit Audit
The Port shall conduct and _____ shall pay all reasonable costs for an environmental exit audit ("Exit Audit") of the Premises to determine, at a minimum: (i) the environmental condition of the Premises; (ii) whether any Hazardous Substance Release has occurred or exists on or about the Premises; and (iii) whether there is evidence of any violation of applicable laws and regulations or the environmental provisions of this Agreement.

The Exit Audit shall be performed not more than sixty (60) days prior to the scheduled Expiration Date of this Agreement and will be updated on or about the Expiration Date, or as soon as _____ vacates the Premises, whichever occurs first. In the event this Agreement is terminated prior to the Expiration Date for any reason, the Port shall cause the Exit Audit to be completed within sixty (60) days of such actual termination date of this Agreement. _____ will be advised of who will be conducting the Exit Audit, the planned scope of the Exit Audit, and will be allowed to be present when the Exit Audit is conducted.

15.10.4 Audit Requirements
The scope of all Environmental Audits, except the Initial Audit, shall be determined solely by the Port. The scope of the Initial Audit was determined by the Port and _____.

15.11 Environmental Inspection
The Port reserves the right, at any time and from time to time, after notice to _____, to inspect the Premises, _____'s operations on and use of the Premises, and _____'s environmental records.

15.12 _____'s Liability

15.12.1 Hazardous Substance Releases
Except as provided in Section 15.12.4, _____ shall be responsible for any Hazardous Substance Release on the Premises, on the Ramp, on other properties, in the air or in adjacent or nearby waterways (including groundwater) which results from, or occurs in connection with, _____'s occupancy or use of the Premises, including _____'s FBO operations, occurring during the Agreement term, or occurring or continuing after the Agreement term.

15.12.2 Presumption
The Initial Audit done on the Premises shall be used as a baseline for determination of future _____ liability. If the presence of a Hazardous Substance, a Hazardous Substance Release, violation of applicable Environmental Laws, or violation of an environmental provision of this Agreement is discovered or disclosed that was not discovered or disclosed in the Initial Audit, then a rebuttable presumption will exist, as to matters within the scope of the Initial Audit, that _____ is the cause of and is responsible for all response, remediation, restoration and Environmental Cost arising from such Hazardous Substance, Hazardous Substance Release, violation of applicable Environmental Laws, or violation of any environmental provision of this Agreement. The presumption established by this Section shall expire after the results of the Exit Audit have been obtained and all response, remediation and full payment of Environmental Cost for which _____ is responsible

under this Agreement have been completed. Although the presumption created by the Initial Audit will not apply to the Ramp because _____ does not have exclusive use or control of the Ramp, _____ will nonetheless be responsible for any Hazardous Substance Release onto the Ramp, as described in Section 15.12.1. Notwithstanding the foregoing, if _____ discovers a Hazardous Substance Release during construction in any area that was previously paved and not previously leased by _____, and _____ can demonstrate that such Hazardous Substance Release did not occur during _____'s construction, then this presumption will not apply to that Hazardous Substance Release.

15.12.3 _____'s Liability for Environmental Cost
Except as provided in Section 15.12.4, _____ shall be responsible for all Environmental Cost arising under this Agreement.

15.12.4 Limitation of _____'s Liability
Notwithstanding anything to the contrary provided in this Agreement, _____ shall have no responsibility for Hazardous Substances or Hazardous Substance Releases, or Environmental Cost arising therefrom, that: (i) existed on the Premises or Ramp prior to _____'s occupancy of the Premises under this Agreement, or any previous Agreement, or other agreement between _____ and the Port (except if caused by _____ or _____'s agents, employees or contractors); or (ii) are caused by the Port or the agents, employees or contractors of the Port after the Commencement Date of this Agreement. _____ will not be responsible for any Hazardous Substance Release that _____ can show migrated onto _____'s Premises or the Ramp from adjacent property, not under _____'s control, as long as _____ did nothing to exacerbate the Hazardous Substance condition.

15.13 Environmental Remediation

15.13.1 Immediate Response
In the event of a violation of Environmental Laws, a violation of an environmental provision of this Agreement, a Hazardous Substance Release, or the threat of or reasonable suspicion of any of the foregoing for which _____ is responsible under this Agreement, _____ shall immediately undertake and diligently pursue all acts necessary or appropriate to correct the violation or investigate, contain, and stop, the Hazardous Substance Release and remove the Hazardous Substance.

15.13.2 Remediation

4.2.14 Environmental Issues

PDX

_____ shall promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release is remediated for which _____ is responsible under this Agreement and that any violation of any Environmental Laws or environmental provision of this Agreement for which _____ is responsible under this Agreement is corrected. _____ shall remediate, at _____'s sole expense, all Hazardous Substances for which _____ is responsible under this Agreement or under any applicable Environmental Laws or regulations, and shall restore the Premises or other affected property or water to its baseline condition, as established in the Initial Audit.

15.13.3 Report to the Port
Within thirty (30) days following completion of any investigatory, containment, remediation and/or removal action required by this Agreement, _____ shall provide the Port with a written report outlining, in detail, what has been done and the results thereof.

15.13.4 Port's Approval Rights
Except in the case of an emergency or an agency order requiring immediate action, _____ shall give the Port advance notice before beginning any investigatory, remediation, or removal procedures. The Port shall have the right to approve or disapprove the proposed investigatory, remediation, and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Agreement or by applicable Environmental Laws, whether on the Premises, the Ramp or on any affected property or water, which approval shall not be unreasonably withheld or delayed. The Port will have the right to require _____ to request oversight from DEQ of any investigatory, containment, remediation, and removal activities, and/or require _____ to seek a statement from DEQ of "No Further Action."

15.14 Notice
_____ shall promptly notify the Port upon becoming aware of: (i) a violation or alleged violation of any Environmental Laws related to the Premises or to _____'s occupation or use of the Premises or Ramp or any environmental provision of this Agreement; and (ii) any Hazardous Substance Release on, under or adjacent to the Premises or Ramp, or the threat of or reasonable suspicion of any of the same. If notice must be given on the weekend or after 5 p.m. on any business day, _____ shall notify the Port by calling the Port's emergency telephone number. That number currently is: (503) 460-4000.

15.15 Annual Certification

4.2.14 Environmental Issues

PDX

If requested in writing by the Port, _____ shall provide on or before each anniversary of the Effective Date of this Agreement, a written statement, certified by _____ as true and complete to the best of its knowledge, that during the preceding year with respect to the Premises and _____'s occupation and use of the Premises, _____ has complied with Environmental Laws. If _____ is unable to provide such certification at the time requested by the Port, then _____ shall provide the Port with a written statement of the steps _____ is taking to enable it to provide the Port with a certification of compliance.

15.16 Port's Right to Perform on Behalf of _____
Except in the event of an emergency or an agency order requiring immediate action, the Port shall have the right, upon giving _____ seven (7) days written notice, to perform its obligations arising under this Agreement and charge _____ the resulting Environmental Cost, plus a Delinquency Charge thereon from the date any funds were expended by the Port. The Port may not commence performance on behalf of _____ under this Section 15.16 if, within the seven (7) day notice period, _____ promptly begins and diligently pursues to completion the performance of the obligations set forth in the Port's notice.

4.3 Critical Issues - Hangar Leases

4.3.1 Uses and Privileges

Excerpt from JAX T-Hangar Lease for Herlong Airport:

6. DESCRIPTION OF SPECIFIC PRIVILEGES, USES AND RIGHTS

Authority hereby grants TENANT, the limited right to use Premises for the following purposes, and for no other purposes whatsoever, all of which are subject to the terms, conditions, and covenants set forth in this Lease:

A. TENANT shall use the Premises to store aircraft, which are owned by or leased to TENANT and registered with the Airport in accordance with the provisions of this Lease (the "Registered Aircraft").

FAA Registration No:

Make: _____

Model: _____

TENANT shall promptly register all aircraft being stored within the Premises with the Airport. TENANT shall not use the Premises for any commercial purpose, including, but not limited to, the sale of products or services of any kind, whether or not such transactions are engaged in for a profit. TENANT shall not store or park aircraft within the Premises, which are not owned or leased by TENANT and registered with the Airport in accordance with the provisions of this Section.

B. TENANT may perform preventive maintenance on the Registered Aircraft, of the kind and to the extent permitted by Title 14, Part 43.3 Appendix A, paragraph (C) of the Code of Federal Regulations entitled "Preventive Maintenance", as may be amended from time to time. TENANT shall not perform repairs or maintenance to its Aircraft on any ramp, apron, taxiway, runway or other public area of the Airport, except as designated by the Airport. No maintenance or servicing of aircraft by independent

4.3.1
Uses and Privileges

JAX

contractors (unless licensed/permitted by the AUTHORITY) for compensation shall be permitted on Premises

C. TENANT'S aircraft shall not be parked or positioned in such common use areas to block, limit or restrict the use of the ramps, aprons or taxiways by other Airport tenants or users.

D. TENANT may place within the Premises a small desk, and associated materials to include files and records, workbench, tool cabinet and necessary small hand tools required for work permitted under Section 6(B) above.

E. TENANT may store parts and accessories within the Premises for the Registered Aircraft; provided, however, storage of any parts, accessories, hulls, or incomplete aircraft, which are not manufactured for use on, or cannot be readily adapted for use on the Registered Aircraft for the Premises is prohibited.

F. TENANT may park one (1) operable automobile within the Premises, but only while the Registered Aircraft is in use.

G. TENANT may install within the Premises one (1) hand-operated winch, and/or one (1) motorized towing vehicle to assist with maneuvering and hangaring of aircraft.

H. TENANT may store not more than five (5) gallons of flammable fluid within the Premises, provided that any such storage shall be limited to NFPA-approved containers, or unopened original cans. Use, storage, and disposal of any environmentally sensitive and/or hazardous materials such as gasoline, lubricants, solvents, oil and paint shall be in accordance with applicable JAA Airport Rules and Regulations and all applicable Federal, State, and local laws, statutes, ordinances, rules and regulations.

I. TENANT shall not use the Premises to store furniture, boats, recreational vehicles, inoperative or unregistered aircraft (except to the extent permitted under Section 6(F) and (G) above), utility trailers, or any other objects unrelated to the purposes for which the Premises were leased.

J. TENANT shall not perform repair service on automobiles or automotive equipment of any kind, other than an authorized motorized towing vehicle, from or at the Premises.

K. TENANT shall not perform painting or "doping" operations of any kind within the Premises and shall not install or use

compressors of four (4) hp or better. Only one compressor is allowed per t-hangar. All compressors must be disconnected when not in use and must be protected by an inline surge protector of fifteen (15) amps or less.

L. TENANT, subject to written approval of the Airport, may be permitted to use approved electrical appliances that have a combined maximum load of 5.0 amps or less. Such electrical appliances shall not be used on a continual basis or while the Registered Aircraft is not within the Premises or while the TENANT is not actually working within the Premises. It shall be the responsibility of the TENANT to request and obtain AUTHORITY'S written approval of the installation and use of approved electrical appliances and failure to do so may result in termination of this Lease or other action deemed appropriate by AUTHORITY. In addition to any other remedy or action available to AUTHORITY, AUTHORITY shall have, and TENANT hereby agrees that AUTHORITY shall have the right to enter onto the Premises and remove there from any and all electrical appliances or devices which AUTHORITY has not approved for installation and use in the Premises. AUTHORITY shall not be held liable for any such loss or damage suffered by the TENANT as a result of such action by AUTHORITY unless such loss or damage results from solely from negligence of AUTHORITY, its officers, agents, or employees.

M. TENANT shall not have open flames or weld within the Premises.

N. TENANT shall keep hangar doors closed when the Registered Aircraft is not stored within the Premises.

O. No running water or washing of aircraft shall take place within the Premises or any other Airport location except the Airport approved aircraft wash rack.

7. Description of General Privileges, Uses and Rights

In addition to the specific privileges granted in Section 6 above, AUTHORITY hereby grants to TENANT the following general, nonexclusive privileges, uses, and rights on the Airport, all of which shall be subject to the terms, conditions, and covenants set forth in this Lease:

A. The general use, in common with others, of all public Airport facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport (including airfield

4.3.1 Uses and Privileges

JAX

access). For purposes of this Lease, "public Airport facilities" shall include all necessary roadways, sidewalks, or other public facilities appurtenant to the Airport, which are not specifically leased to or under the contractual control of others.

B. The right of ingress to and egress from the Premises over and across public roadways serving the Airport. Said right shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

C. Except as expressly set forth in Sections 6 (A) and (B) above, nothing contained in this Lease shall be construed to grant to TENANT the right to use any space or area improved or unimproved which is leased to a third party, or which AUTHORITY has not leased herein.

13. CASUALTY

In the event the Premises or a portion thereof are rendered untenantable by fire or other casualty (including windstorm or hurricane), AUTHORITY shall have the option of terminating this Lease or rebuilding the Premises, and in event of such casualty, written notice of the election by AUTHORITY shall be given to TENANT within thirty days after the occurrence of such casualty.

4.3.2 Forms for Leasing and Terminating

4.3.2 Forms for Leasing and Terminating

PIT

Excerpt from PIT Hangar Registration Form:

LESSEE/TENANT INFORMATION

*COMPANY NAME:*_____

*LESSEE/TENANT NAME:*_____

*ADDRESS:*_____

*LESSEE/TENANT PHONE NUMBER:*_____

*OPTIONAL/CELL PHONE NUMBER:*_____

*LESSEE/TENANT E-MAIL*_____

*LESSEE/TENANT FAX NUMBER*_____

*2nd CONTACT PERSON:*_____

*2nd CONTACT PERSON'S PHONE NUMBER:*_____

AIRCRAFT INFORMATION (Needed for each aircraft in hangar)

*TYPE OF AIRCRAFT:*_____

*TAIL NUMBER:*_____

*REGISTRATION # & NAME ON CERTIFICATE:*_____
(Attach a copy.)

SUBLESSEE

*NAME OF SUBLESSEE:*_____

*ADDRESS OF SUBLESSEE:*_____

*PHONE NUMBER OF SUBLESSEE:*_____

FAX NUMBER OF SUBLESSEE:
_____

E-MAIL OF SUBLESSEE:
_____

4.3.2 Forms for Leasing and Terminating

JAX

Excerpt from JAA T-Hangar Lease for Herlong Airport:

NOTICE OF LEASE TERMINATION

Jacksonville Aviation AUTHORITY
PO Box 18018
Jacksonville, FL 32229-0018
or
Fax: (904) 741-2011
Re: Vacating T-Hangar # _____

I, _____, give the required 30-day notice for vacating T-Hangar #_____ according to the Lease. Please mail to the address below the $ _____ deposit. My Security Access card is returned hereto and final inspection of premises scheduled. The T-Hangar will be vacated by _____.

_____ _____

Signature *Date*

TENANT Name: _____

TENANT Address: _____

_____

TENANT Phone Number: _____

ENDORSEMENT

From: Airport Manager, Herlong Airport

To: Finance Department, Jacksonville Aviation AUTHORITY

_____ acknowledges receipt of

_____'s Notice to Terminate Lease, to be vacated

on _____. Return of Security Access Card No.

_____, and final T-Hangar Inspection results shall be

forwarded to validate return of deposit.

_____ _____

Signature *Date*

4.3.3 Revenue Sharing

PIT

4.3.3 Revenue Sharing

Excerpt from PIT Lease Agreement:

4. PAYMENTS BY LESSEE

A. Rent

Commencing on the date that the Leased Premises are delivered to the Lessee ("Rent Commencement Date") Lessee shall pay Annual Minimum Rent for the use of the Lease Premises ("Rent"), at the rate of $1.45 per square foot, payable in equal monthly installments on or before the first day of each month without invoicing, without demand, and without set off to the Allegheny County Airport Authority, P.O. Box 642623, Pittsburgh, PA 15264-2623, or to such other place as may hereafter be designated by the Executive Director. Rent shall increase on each anniversary of the Lease Term by 3%. In the event that the Rent Commencement Date is on other than the first day of the month, the Rent for such month shall be prorated for the number of days remaining in the month.

If Lessee shall fail to timely make any Rental payment as hereinabove provided, then Lessee shall pay to Authority an interest charge calculated at the rate of one percent (1%) per month on any such overdue amount for each full month of delinquency, plus reasonable attorneys' fees incurred by Authority in attempting to obtain payment. Lessee will be charged $35.00 for any check returned for non-payment.

B. Business Surcharge

If Lessee has received approval to sublease or operate a business concession on the Airport, Lessee shall pay to the Authority an additional rental charge ("Business Surcharge") of sixteen cents ($.16) per square foot payable in the same manner as Rent, which rate may be uniformly adjusted by the Authority from time to time. The business surcharge applies to the entire Leased Premises.

C. Fuel Flowage Fee

In the event that Lessee shall have delivered at the Airport any fuel or other petroleum product which was not purchased or otherwise acquired from a concessionaire authorized by the Authority to sell such products at the Airport, then Lessee

4.3.3 Revenue Sharing

PIT

shall pay to Authority, without invoicing, without demand, and without set off, on or before the twentieth (20th) day of each month, at the office of the Executive Director as hereinabove provided a Fuel Flowage Fee ("Fuel Flowage Fee") calculated at the rate then being paid to Authority by the Authority's authorized FBO fueler (s), and based on the amount of fuel and other petroleum products delivered to Lessee at the Airport during the immediately preceding month. The Fuel Flowage Fee as of the effective date of this Lease is eight cents ($.08) per gallon for fuel and thirty cents ($.30) per gallon for other petroleum products. The Authority may adjust the Fuel Flowage Fee from time to time at its discretion and the new Fee shall be applicable, as uniformly applied.

Each Fuel Flowage Fee payment shall be accompanied by a detailed statement setting forth the exact quantities of fuel and other petroleum products delivered to Lessee at the Airport during the said preceding month, which statement shall be in such form and shall contain such additional information as the Executive Director may from time to time require.

Nothing herein is intended or shall be construed to permit Lessee or any other person to deliver, store, sell, or distribute any fuel or other petroleum product at the Airport without the prior written permission of the Executive Director, and upon such terms and conditions as the Executive Director may determine.

4.4 Through-the-Fence Agreements

KDIJ

4.4 Through-the-Fence Arrangements

Excerpt from KDIJ Agreement:

3. Security and Gates. *Licensee shall be responsible for the cost of installing and maintaining all security measures and means of access, including, but not limited to, fences, gates and taxiways, in accordance with City and Airport Board policies adopted from time to time and FAA requirements.*

Excerpt:

9. Insurance. *At all times during the term of this Agreement, including any*

4.4 Through-the-Fence Agreements

KDIJ

extensions thereof, Licensee shall procure and maintain insurance against the hazards and in the amounts hereinafter set forth and shall provide City with a certificate of such insurance naming the City as an additional insured:

a. All Risk Insurance in Connection with Construction. Before commencement of any construction or demolition on or related to the access granted hereunder, Licensee shall procure and shall maintain in force until the completion of the work "All Risk" insurance in a form reasonably satisfactory to City, covering all risks of physical loss or damage to any property in an amount of not less than $1,000,000.

b. Public Liability Insurance. Comprehensive broad form general public liability and aviation liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the access granted hereunder or Licensee's use of the Airport, with personal injury, death and property damage combined single limit liability of not less than $1,000,000 for each accident or occurrence.

c. General Provisions. The insurance coverage required by the foregoing provisions may be provided by means of one or more blanket policies issued to the Licensee (and naming City as an additional insured), which includes such coverage or greater coverage. In the event Licensee shall default in it's obligation to procure or maintain any insurance required hereunder, then without limitation on City's other rights or remedies hereunder, City may at it's option, but shall not be required to, procure or maintain such insurance and pay any or all premiums thereon or other costs or expenses in connection therewith, in which event all costs and expenses to City in connection with such insurance, including but not limited to such premiums, shall be payable to City by Licensee immediately upon City incurring the same. The amount of coverage required in sections (a) and (b) shall be increased each five (5) years at the beginning of each new option term exercised by Licensee to reflect the greater of (i) the then current economic conditions relating to insurance needs and availability of such insurance upon commercially reasonable terms as may be mutually agreeable to Licensee and City, or (ii) an increase by a percentage which is equal to the percentage change in the Consumer Price Index during the immediately preceding term of the Agreement.

Excerpt:

12. Non-responsibility of City for Airport Closures.

4.4 Through-the-Fence Agreements

KDIJ

City shall not be responsible for Airport closures or the inability to operate specific aircraft at any time. Notwithstanding the foregoing, and without in any way imposing upon City a financial obligation other than as may be approved by the City Council from time to time as part of it's budget, City shall use good faith efforts to keep the Airport open and generally accessible to the flying public and Licensee and to enter into agreements with Fixed Base Operators or others to assist in meeting such objectives.